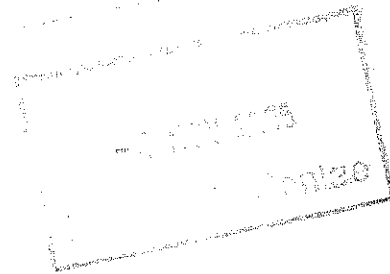


Harcourt House, 18-19 Harcourt Street, Dublin 2  
Tel: 353 1 475 3928  
Fax: 353 1 475 3943  
www.harcourtdevelopments.com

*Our ref CH\MK*

Mr. Joe Horan  
County Manager  
South Dublin County Council  
County Hall  
Tallaght  
Dublin 24



2 November 2005

*Re: Luas Line Extension to City West*

Dear Mr. Horan

Further to previous discussions between Harcourt Developments Ltd, Davy Hickey Properties and South Dublin County Council, I wish to confirm that Harcourt Developments and Davy Hickey Properties have signed Heads of Agreement with the Rail Procurement Agency (RPA) for the extension of the Luas line to City West.

It is envisaged that the Luas line will be extended to the proposed Shopping Centre at City West with the possibility of a further extension to the end of Fortunestown Lane. We have agreement with Davy Hickey to jointly fund this Luas line extension to the Shopping Centre at an estimated cost of €25m, part of which may be mitigated by contributions from other beneficiaries of the Luas line through contributions levied by the Council.

As you know Harcourt's contribution is being offered in the context of a zoning of our 78 acre site at Fortunestown Lane which is currently zoned green belt (edged red on the attached plan). It is proposed that the Council would approve the re-zoning of these lands to coincide with Harcourt's commitment to the provision of the Luas line.

*Contd.....*

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Harcourt Developments Ltd.

Directors:

Patrick Doherty (Chairman), Robert Langdon (Managing), Michael Murphy,  
Patrick Power, Peter Tyas, Andrew Parker Bowles (Non-Executive), Ann Reddington (Secretary).  
Registered in Ireland at the above address. Registration No. 234936

In order to move the matter forward to the satisfaction of South Dublin County Council and Harcourt Developments, we put forward the following proposal:

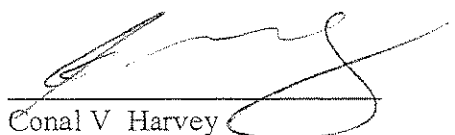
- A resolution to be passed by South Dublin County Council members at the next Council meeting approving the re-zoning of the land to A1 Residential.
- The approval of the Council would be conditional upon Harcourt making the necessary commitments for the provision of the Luas extension in conjunction with Davy Hickey Properties.
- Harcourt/Davy Hickey will sign agreements with the RPA in relation to the procurement of the line extension.
- Harcourt will provide the bank guarantee towards the provision of the necessary funds for the Luas line extension which will be drawn down on foot of professional certification in relation to the project.
- The Council's approval for the zoning of the lands will be conditional upon Harcourt fulfilling its obligations as outlined above but will be irrevocable if these conditions are fulfilled.

It is fully understood that the Council's decision to zone the lands will be contingent on Harcourt's commitment to the provision of the Luas extension line but also that Harcourt's financial commitment can only take place in the context of the re-zoning being granted.

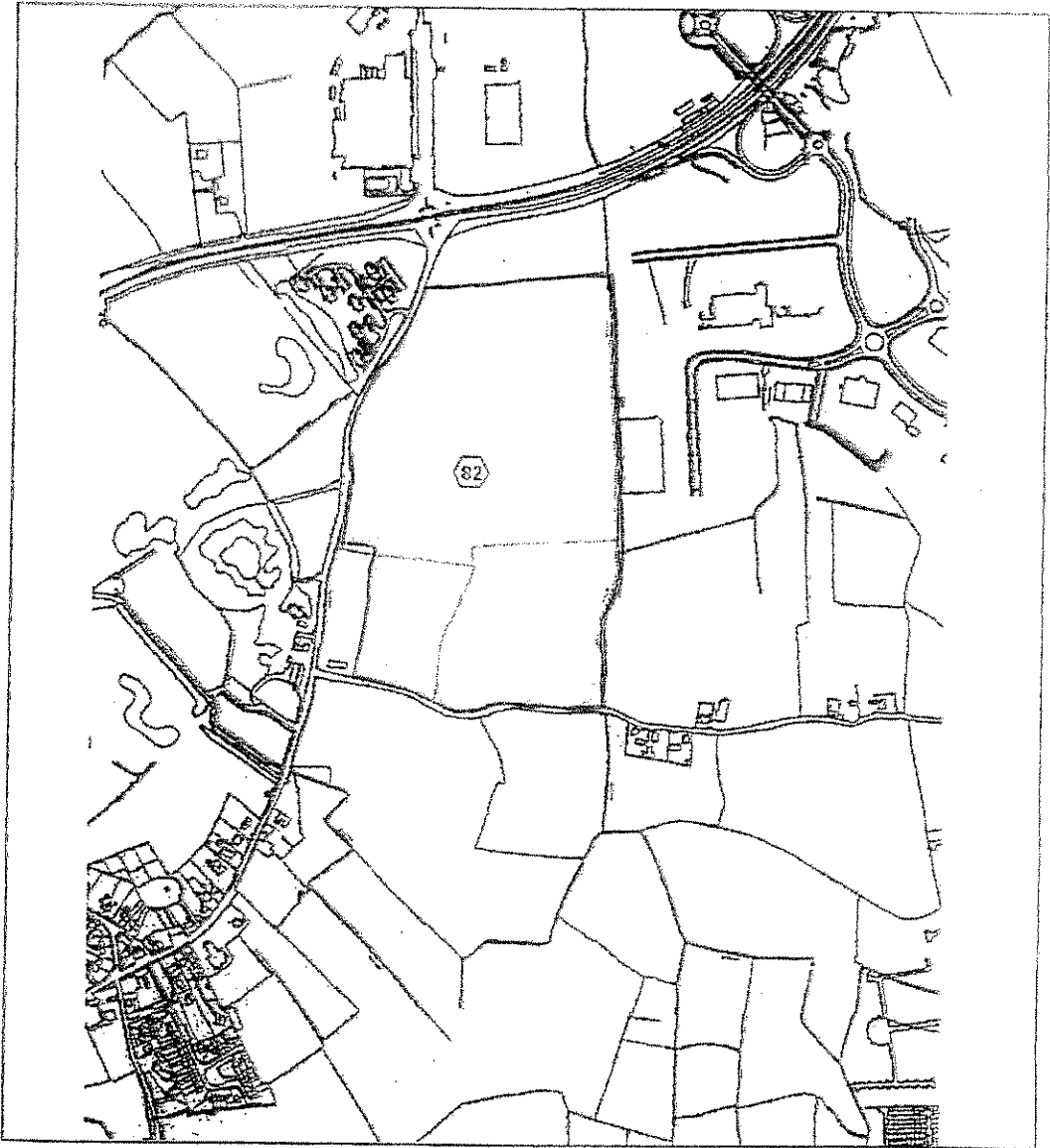
I would suggest that we meet within the next two weeks to discuss this proposal so that the matter can be progressed as a matter of some urgency. The agreement with the RPA will come up for signing in January 2006 so it is important that our agreement with the Council is formalised.

I look forward to hearing from you.

Yours sincerely

  
Conal V Harvey  
**Director of Operations**

Enc.



PROPOSED REZONING